

## Tilburg University

### Collective corporate social responsibility

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*Published in:*  
Management Revue

*DOI:*  
[10.5771/0935-9915-2019-2-3-173](https://doi.org/10.5771/0935-9915-2019-2-3-173)

*Publication date:*  
2019

*Document Version*  
Publisher's PDF, also known as Version of record

[Link to publication in Tilburg University Research Portal](#)

*Citation for published version (APA):*  
Henry, L. A., & Moellering, G. (2019). Collective corporate social responsibility: The role of trust as an organizing principle. *Management Revue*, 30(2-3), 173-191. <https://doi.org/10.5771/0935-9915-2019-2-3-173>

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## Collective Corporate Social Responsibility: The Role of Trust as an Organizing Principle\*\*

### Abstract

Organizing corporate social responsibility (CSR) on a collective, rather than on the individual firm level, results in a set of specific challenges for organizations. The aim of this article is to assess these challenges inherent in collective CSR and to conceptualize trust as an organizing principle within these networks. To do so, we explore and outline the chief challenges faced within horizontal cooperation between inter-organizational actors aiming to realize CSR efforts collectively. Subsequently, we draw from the literature on trust as an organizing principle in inter-organizational networks and go on to develop mechanisms through which trust can address these challenges. This article contributes a new analytical framework that informs future studies on the role of trust in collective CSR. It enables a differentiated analysis of the potential, but also the pitfalls, of trust-based CSR at the network level.

**Keywords:** cooperation, corporate social responsibility, governance, inter-organizational relationships, trust  
(JEL: M10, M14)

### Introduction

There is increased awareness that, in order to meet the challenge of Corporate Social Responsibility (CSR), organizations must collaborate with various partners to be able to address the complexity and “wickedness” inherent in CSR (Bryson, Crosby, & Stone, 2015; Rittel & Webber, 1973; Selsky & Parker, 2005). Consequently, we have witnessed the rapid rise of various forms of inter-organizational collaboration, including multi-stakeholder initiatives, cross-sectoral partnerships and innovation consortia. While the collective organization of CSR practices thus seems both promising and inevitable, prior research has emphasized simultaneously the many collaborative challenges in networked cooperation around CSR (henceforth referred to as ‘collective CSR’). These include the challenges of (merely) symbolic contribu-

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\*\* Date submitted: September 30, 2017

Revised version accepted after double blind review: October 18, 2018

tions (Delmas & Montes-Sancho, 2010), coopetition (Stadtler & Van Wassenhove, 2016), and interfirm rivalry (Hahn & Pinkse, 2014). Even though these might be risks faced in other forms of cooperation as well, this article builds on the notion that in collective CSR these risks are reinforced, as CSR embodies several dimensions inherent in grand challenges: the most significant, complex, and interdependent problems that societies are facing (Ferraro, Etzion & Gehman, 2015). Especially the great complexity inherent in CSR and its growing salience make it essential to consider how collective CSR can be organized so that it achieves its goals and delivers value (Andrews & Entwistle, 2010).

In this conceptual article, we assess the role of trust as a possible organizing principle for collective CSR. Organizing principles, defined as “the logic by which work is coordinated and by which information is gathered, disseminated and processed within and between organizations” (Zander & Kogut, 1995), include the classic principles of market and hierarchy, but scholars have also theorized more informal principles, such as trust (McEvily, Perrone, & Zaheer, 2003; Ouchi, 1980). In their useful framework on trust as an organizing principle, McEvily et al. (2003) proposed seven distinct properties and pathways through which trust can lead to effective organizing in inter-organizational networks by enabling processes of mobilization and structuration. In our article, we integrate these properties into the specific challenges identified by the literature on collective CSR and explore how trust can work as a possible organizing principle within such networks.

To theorize this question, we focus on four major challenges mentioned by the extant literature on collective CSR, defined as horizontal cooperation between inter-organizational actors with the aim of collectively realizing CSR efforts. While our extensive literature review revealed several types of collaborative challenges faced by actors in such settings, four challenges appeared as the most dominant, since they appear across several studies and capture various underlying categories of problems. These challenges pertain to 1) creating a collaborative governance structure, 2) reconciling collective versus individual interests, 3) distinguishing symbolic from substantial contributions, and 4) coping with power imbalances. Our assessment shows the exact way in which trust as an organizing principle, according to McEvily et al. (2003), can address these four challenges.

Hence, this article advances knowledge in several ways: First of all, we contribute to the stream of research on inter-organizational collaboration around grand challenges (Olsen, Sofka, & Grimpe, 2017; Seidl & Werle, 2018). By integrating literature on organizing through trust and linking it to the challenges firms face when engaging in collective CSR, we provide innovative insights into possible organizing mechanisms for such collective endeavors. Our understanding is therefore enhanced in regard to the conditions under which collective strategies can become effective in addressing grand challenges (Hahn & Pinkse, 2014; Olsen, Sofka, & Grimpe, 2016). Secondly, this article contributes to trust research by further assessing and

refining the pathways through which trust can work as an organizing principle in conditions of high uncertainty and complexity. This latter point is important, as several authors have highlighted the positive effect of trust on collaborative practices between stakeholders (Fadeeva, 2005; Tate, Ellram, & Gölgeci, 2013; Wondolleck & Yaffee, 2003), but only few have specifically addressed the mechanisms or processes that could potentially enable this effect.

In the following we will start by outlining the chief challenges we identified in prior literature on collective CSR. Subsequently, we reflect on the role of trust as an organizing principle for those networks, drawing specifically from the properties and pathways of organizing through trust based on the model by McEvily et al. (2003). We conclude with an analytical framework of our own, which connects these pathways and the specific challenges we identified for the organization of collective CSR.

## Theory Development

### Challenges in Collective CSR

We adopt the definition of CSR as an umbrella term referring to the responsibilities of business firms towards their stakeholders and the natural environment and how these responsibilities are operationalized (Rasche, 2012). In this article, we focus on the inter-organizational relationships established to meet those responsibilities, i.e. collective CSR. This term includes, for example, multi-stakeholder initiatives (Bäckstrand, 2006), cross-sectoral partnerships (Selsky & Parker, 2005) or organizational search consortia (Olsen et al., 2016, 2017). CSR, and as such also collective CSR, is considered a highly complex matter, first of all because it represents a set of overarching problems including climate change and labour exploitation (Ferraro et al., 2015). These issues, referred to as grand challenges, are considered to be the most significant and complex problems today's societies are facing. Other authors refer to them as 'meta-problems': multi-dimensional problems of strategic significance that often cut across different industries or sectors (Seidl & Werle, 2018). Secondly, CSR's complexity lies in the fact that the inherent triad of economic, environmental and social dimensions contains various paradoxical elements and tensions (Hahn, Pinkse, Preuss, & Figge, 2015).

While collective CSR is seen increasingly as a necessary and desirable form to effectively address the various stakeholder expectations that CSR entails, prior research has also emphasized the many collaborative challenges actors face in these networks (see Bryson et al., 2015). For the purposes of this article, we proceeded by collecting and analyzing all the challenges we found in prior literature on collective CSR. During this process, four overarching categories crystallized, which we believe cover the most salient types of challenge in this context. These categories are not universal, nor completely separable or entirely unique to CSR networks. However, their repetition across many studies on collective CSR supports the assumption that they

cover the most common and important challenges of organizing such collaborations. Below, we will outline them in greater detail.

### Challenge 1: Creating a collaborative governance structure

The first major challenge in collective CSR is that of creating an effective collaborative governance structure for the cooperation (Bryson, Crosby, & Stone, 2006; Detomasi, 2007; Thomson & Perry, 2006). Governance can be defined as “the use of institutions and structures of authority and collaboration to allocate resources, and to coordinate and control joint action across the network as a whole” (Provan & Kenis, 2008, p. 231). Relevant questions for the creation of collaborative governance structures include who is eligible to make decisions, which actions are allowed or restrained, what information will be provided, and how benefits will be divided (Thomson & Perry, 2006). While the suitable design of network governance is a general challenge for inter-organizational networks (Provan & Kenis, 2008), in collective CSR this challenge is reinforced by the fact that actors engage in shared responsibility for an issue with largely unknown characteristics, outcomes and interdependencies between actors (Alvarez, Pilbeam, & Wilding, 2010; Olsen, Sofka, & Grimpe, 2016). These uncertainties naturally challenge the design of governance structures, as they make it almost impossible to provide clear answers to the aforementioned set of governance questions.

### Challenge 2: Reconciling collective and individual interests

The second major challenge identified by the literature on collective CSR is that of reconciling collective and individual interests (Hahn & Pinkse, 2014; Huxham & Vangen, 1996; Thomson & Perry, 2006). Stadler and Van Wassenhove (2016) refer to this challenge as the paradox of coopetition: On the one hand, the actors involved strive to realize collectively something that none of them can achieve unilaterally and that is also more important than their own profit maximization. Yet, at the same time they seek to improve the company’s market position vis-à-vis other players. Huxham and Vangen (1996) emphasize how the voluntary character of these collaborations means that actors often have to justify the pursuit of any individual aims, even if those are legitimate. The authors argue that this situation can subsequently lead to refraining from collaboration altogether.

The challenge of reconciling collective and individual interests has been shown to arise between actors from different sectors, as they each come into the collaboration with their own identities and backgrounds (Di Domenico, Tracey, & Haugh, 2009; Selsky & Parker, 2005). However, as Hahn and Pinkse (2014) show, this tension can also become salient for same-sector actors, who compete with each other over both legitimacy and capabilities. This creates a situation in which actors strive for partnership effectiveness on the one hand, yet are trying at the same time to out-

compete similar actors, which can considerably limit the effectiveness of cross-sectoral partnerships (Hahn & Pinkse, 2014).

### Challenge 3: Distinguishing substantial from symbolic contributions

The third chief challenge for collective CSR pertains to the difficulty in distinguishing symbolic from substantial contributions (Delmas & Montes-Sancho, 2010; Wondolleck & Yaffee, 2003). Although the danger of symbolic contributions, or free-riding behavior, is essentially present in any type of multi-actor network cooperation, the risk in collective CSR is reinforced for two reasons. First of all, in collective CSR, individual contributions are very hard to identify, especially as they also tend to fluctuate over time (Delmas & Montes-Sancho, 2010). Moreover, symbolic contributions in collective CSR are often tolerated to keep the collaborative initiative alive or to gain momentum, because the participation of many stakeholders, regardless of their actual contribution, seems more desirable than no participation at all (Lenox, 2006). Nevertheless, it is evident that these merely symbolic contributions do not enhance the overall collaboration process and examples from the literature show the salience of the 'sincerity dilemma' in collective CSR.

### Challenge 4: Coping with power differences

The final challenge we outline is that of coping with power imbalances between actors in collective CSR, which is a challenge mentioned particularly often in research on multi-stakeholder initiatives and accountability standards (see Bäckstrand, 2006). Power imbalances are a reinforced challenge in collective CSR, as these collaborations often include smaller stakeholders from developing countries who lack the bargaining power to compete with large multinationals in these networks (Abbott & Snidal, 2009). Several studies show how smaller stakeholders are not involved in the collaboration as much as one would hope for: For example, in their analysis of multi-stakeholder initiatives, Fransen and Kolk (2007) reveal how governance within multi-stakeholder initiatives is largely designed around developed-country partners while the most vulnerable groups are often excluded from decision-making processes.

In a similar vein, studies have shown how NGOs tend to be co-opted by large multinationals, mostly resulting from a deliberate strategy by those financially much stronger, for-profit organizations (Baur & Schmitz, 2012). Co-optation, understood as the loss of NGO autonomy when engaging with corporate partners, is a great challenge for collective CSR; first of all, as the transformation from watchdog to partner usually results in a loss of identity and distracts these NGOs from pursuing their initial mission (Rodríguez-Garavito, 2005). Moreover, it limits their willingness to use those (disruptive) strategies that are necessary for goal attainment (Baur & Schmitz, 2012).

In conclusion, we have identified four overarching challenges in extant literature that cover the range of collective CSR challenges. While each of those might also be a challenge in general settings of inter-organizational collaboration, we particularly emphasize the factors that reinforce these challenges in collective CSR.

### Trust as an Organizing Principle

Before taking a look at the role that trust may play in relation to these challenges, we clarify the term “organizing principle”, which is defined as the logic by which work is coordinated and by which information is gathered, disseminated and processed within and between organizations (Zander & Kogut, 1995). Organizing principles operate on the basis of distinct mechanisms that orient, enable or constrain economic behavior (McEvily et al., 2003). The logic of distinguishing between different manners of organizing economic transactions can be traced back to Williamson’s (1981) transaction cost framework, which outlines how behavioral uncertainties, in combination with specific contracting concerns, determine the choice of an effective control mechanism for economic transactions. In Williamson’s initial framework, these control mechanisms pertained to either market or hierarchy. This framework was later extended by scholars who recognized a third control mechanism of a more informal nature, including clans or trust (Ouchi, 1980). Moreover, subsequent research has emphasized how these control mechanisms, which were mostly perceived as mutually exclusive until then, in fact often work in combination (Bradach & Eccles, 1989; Möllering, 2002).

For the purposes of this article, and for reasons of consistency, we adopt the widely accepted general definition of trust used by McEvily et al. (2003, p. 92; based on Mayer, Davis, & Schoorman, 1995; Rousseau, Sitkin, Burt, & Camerer, 1998), i.e. “the willingness to accept vulnerability based on positive expectations about another’s intentions or behaviors.” While this is a psychological definition at heart, it can be applied to the inter-organizational context of collective CSR, in as much as it pertains to the generalized expectations of those organizational representatives involved in joint initiatives.

There are several reasons why trust could be an effective organizing principle in the context of collective CSR: First of all, hierarchical control has generally been seen as a means to address appropriation concerns (Gulati & Singh, 1998). However, the mostly voluntary character of collective CSR and its uncertain outcomes make appropriation concerns and thus hierarchical organizing principles largely obsolete. Relying solely on market mechanisms, however, is not realistic for organizing collective CSR either, as those involve substantial risks of knowledge spillover or freeriding behavior (Delmas and Keller, 2005). Secondly, trust has been argued to be a suitable alternative organizing principle in contexts where vulnerability is high (e.g. Möllering, 2012) and when performance ambiguity prevails (Dirks, 2000). Both these factors are inherent in CSR organizing due to the uncertain nature of the spe-

cific practices being organized, as well as the vulnerability inherent to this type of collective action.

In the remainder of this article, we build on the framework of trust as an organizing principle developed by McEvily et al. (2003). In this framework, the authors commence by outlining two overarching processes through which trust influences organizing, namely *structuring* and *mobilizing*. *Structuring* refers to the potential to shape stable and enduring interaction patterns between organizations as a result of trust, whereas *mobilizing* refers to the ability to combine and coordinate resources efficiently towards collective endeavors through the presence of trust. Within these two overarching processes, the authors outline seven different organizational properties that enable organizing in networks: *density*, *stability*, *multiplexity*, *non-redundancy*, *knowledge sharing*, *committing* and *reducing safeguarding*. These properties can be seen as interaction patterns and processes that enable and constrain the coordination of work among individuals (McEvily et al., 2003). The fact that these properties include both patterns and processes explains the mixture of noun and verb forms (e.g. density versus committing).

**Table 1. Overview of properties and causal pathways for trust-based organizing. Definitions adapted from McEvily et al. (2003).**

Organizational property	Trust pathway leading to the property
<b>Density:</b> The overall level of network closure, i.e. the number of connected ties	<b>Transferability:</b> This process denotes the formation of a new relationship between previously unconnected individuals through a mutually trusted third party, leading to the formation of dense networks.
<b>Multiplexity:</b> The number of relations within a given network tie, e.g. two people being both friends and colleagues	<b>Generative capacity:</b> Similar to trust transfer between two actors, generative capacity concerns trust transfer within the scope of a single relationship, i.e. the development of an additional relationship layer.
<b>Stability:</b> The durability of the relationships within networks	<b>Delayed reciprocity:</b> Trust reduces the need for instantaneous compensations, as actors can be certain that their commitments will be honored at some point in the future.
<b>Non-redundancy:</b> Reduced levels of redundancy between actors' activities through specialized roles	<b>Role specialization:</b> Trust enables the use of specialized actors in networks, e.g. brokers, as it instills confidence that the broker will convey accurate information and not hold any information back.
<b>Knowledge sharing:</b> The process of disclosing knowledge to others and granting others access to one's own knowledge	<b>Disclosing and screening:</b> Trust enables efficient disclosure of knowledge, as the sender can trust the receiver to handle this information appropriately, as well as reduce the screening time of that knowledge.
<b>Committing:</b> The overall strength of attachment in the networks' relationships	<b>Identifying:</b> As actors come to trust each other, they may begin to identify with each other's needs, preferences and priorities.



Organizational property	Trust pathway leading to the property
<b>Reduced safeguarding:</b> The (lower) inclination to guard against opportunistic behavior	<b>Suspending judgement:</b> Trust enables actors to adopt an orientation toward another actor that assumes the other party's intentions and motives are benevolent, i.e. to give others the benefit of the doubt.

While it is not counter-intuitive that properties such as density or stability may result from trustful interactions, the usefulness of this framework lies in the fact that the authors also outline distinct causal pathways that explain *how* and *why* trust is likely to lead to these properties. For example, the network property *density* tends to result from the causal pathway of *transferability*, denoting the formation of a relationship between two unknown individuals through a mutually trusted third party (McEvily et al., 2003). In Table 1, we provide an overview of each of the seven network properties and a short explanation of their corresponding causal pathways.

We submit that this framework provides a fruitful starting point for the objectives of this article for two reasons: Firstly, the authors built this framework in order to broaden our understanding of how trust can be used to organize uncertain economic activities, which fits the challenges of collective CSR as we have shown above. Moreover, the framework's reliance on network analytical concepts makes it particularly suitable for this article's focus on collective forms of CSR. For our analysis, we do not aim to reproduce the framework fully in the context of collective CSR. We see both the proposed properties and their pathways as fruitful foundations for understanding and theorizing the role of trust in collective CSR contexts, but we do not 'test' whether all of them are equally applicable. In the next section, we elaborate on the role of these properties and pathways in the context of collective CSR challenges.

## Trust and Collective CSR Challenges

In this section, we outline how the aforementioned seven properties and pathways of organizing defined by McEvily et al. (2003) are fostered through trust, and indicate their potential in addressing the main challenges we identified for collective CSR.

### Challenge 1: Creating a collaborative governance structure

The first challenge we highlighted is the creation of an effective collaborative governance structure, referring to the institutions and structures actors create to allocate resources and to coordinate and control joint action across the network (Provan & Kenis, 2008).

*Non-redundancy through role specialization* – The first relevant property we propose for this challenge is that of non-redundancy, referring to reduced redundancies in organizational networks resulting from the presence and use of specialized roles. Ac-

cording to McEvily et al. (2003), trust enables the use of these specialized roles, as it allows the other partners to place confidence in brokers to convey accurate and timely information to the other actors, rather than engaging in selective filtering. Moreover, trust allows for the expectation that these brokers will provide access to valuable contacts and referrals when possible, rather than keeping this information to themselves. In sum, trust enables a broker to fulfill an important coordination function, without the actors having to wonder whether this broker might be an untrustworthy *tertius gaudens* (Simmel, 1950). In the context of collective CSR, several authors have emphasized the importance of such specialized roles for realizing coordination and joint action in collective CSR, including boundary spanners (Williams, 2002) or relationship managers (Sagawa, Segal, & Kanter, 2000), who have the important task of building and managing the interpersonal relationships necessary for efficient coordination.

*Stability through delayed reciprocity* – A second relevant property for the challenge of collaborative governance, we propose, is that of network stability. As McEvily et al. (2003) argue, trust fosters stability through delayed reciprocity, referring to a situation in which each party is confident that any commitments made will be honored at some point in the future, without expecting immediate compensations. Delayed reciprocity plays an important role in coordination processes, as it allows for greater flexibility in situations of uncertainty and increases an organization's capacity to handle such uncertainty while maintaining its basic structure (McEvily et al., 2003). As the high levels of task and outcome ambiguity in collective CSR make its coordination process highly uncertain and fluid, we expect some level of stability from trust to be beneficial in coping with this.

Moreover, several studies in collective CSR emphasize the need for the actors involved to develop a shared language, allowing for the development of routines and joint capacity building (Hardy, Lawrence, & Phillips, 2006). For example, in their study on sustainable innovations, Olsen et al. (2017) show how effective search strategies for sustainable innovation were developed by those innovation consortia that already had previous collaborative experience and had indeed developed a set of joint routines and structures. As these experiences are only possible in environments that allow repeated interactions, we propose that stability is important for the challenge of collaborative governance, too.

## Challenge 2: Reconciling collective and individual interests

The second challenge in collective CSR we identified is that of reconciling collective and individual interests, resulting from the fact that in these contexts actors strive for partnership effectiveness while at the same time seeking to improve their own outcomes.

*Knowledge sharing through disclosing and screening* – We propose that the first property through which trust can play an important role in reconciling the tensions be-

tween collective and individual interests is that of effective knowledge sharing. As McEvily et al. (2003) argue, trust shapes an environment conducive to knowledge sharing through the pathways of *disclosing* and *screening*. Disclosing refers to the fact that once trust is in place, it allows the sender to disclose sensitive information without fear of judgment or knowledge spillover. Screening, then, refers to a reduction in time spent screening that information once the sender trusts its source, leading to enhanced effectiveness of knowledge sharing. We propose that this pathway is relevant in the context of this tension for two reasons.

First of all, effective knowledge sharing has been argued to be salient for cooperation in collective CSR, as it makes actors strongly aware of their interdependencies (Wondollock & Yaffee, 2003). This realization of interdependencies can, on the one hand, lead to the recognition of complementary capabilities, which is important to ensure the effectiveness of collective capacity-building (Hahn & Pinkse, 2014). On the other hand, it might increase actors' awareness of what is at stake if the collaboration did not take place, which has also been shown to be an effective trigger for collaboration (Logsdon, 1991).

In a similar vein, in their work on cross-sectoral partnerships, Hahn and Pinkse (2014) argue how one important condition that influences whether the tension of collective versus individual interests becomes problematic for collaborative outcomes is that of "problem specificity", referring to the explicitness with which the problems and solutions are defined among the actors. As this achievement of problem specificity first requires the actors to share detailed and profound information (Hahn & Pinkse, 2014), knowledge sharing is an important enabler to address the tension between collective versus individual interests. These processes will not immediately eliminate the tension of collective versus individual interests, nor will they make interfirm rivalry completely redundant. However, by creating an environment highly conducive to knowledge sharing, trust is likely to serve as an important stepping-stone towards alleviating this challenge.

*Multiplexity through generative capacity* – The second relevant property we see in addressing the challenge of collective versus individual interests is that of multiplexity, referring to the degree to which a pair of actors is linked through multiple roles or relationship layers (Tichy, Tushman, & Fombrun, 1979). McEvily et al. (2003) emphasize how trust fosters the development of multiplex ties through the process of generative capacity, denoting trust as being transferred through the same tie. As the authors argue, a relationship between two partners that started out on a purely formal basis might also develop over time into a friendship as a result of trust development between those actors. Multiplexity is an important factor for the challenge of reconciling collective and individual interests, as it is likely to result in actors' connectedness beyond the initial boundaries of the partnership. This is likely to be an important factor in reducing the potential negative impacts that tensions between individual versus collective interests may cause (Hahn & Pinkse, 2014).

### Challenge 3: Distinguishing substantial from symbolic contributions

This third challenge refers to the difficulty of distinguishing substantial from symbolic contributions in collective CSR, due to the fact that individual contributions are hard to identify and may change over time (Delmas & Montes-Sancho, 2010), and that symbolic behavior is often tolerated to keep the collective institution alive (Lenox, 2006).

*Density through transferability* – As a first relevant property for this challenge, we propose density, a structural network property denoting the proportion of connected ties or level of network closure (Tichy et al., 1979). According to McEvily et al. (2003), trust fosters dense networks through the process of trust transfer, meaning that two people who have little or no knowledge of each other can develop trust in each other relatively quickly when they share trust in a third party. Through this process, trust allows for the development of ties between unknown actors and fosters the formation of dense networks. We propose that density is an important pathway towards addressing the tension of symbolic versus substantial contributions for the following reasons. First and foremost, network literature has emphasized repeatedly how dense networks offer high levels of social control and monitoring (Coleman, 1988; Uzzi, 1997), increasing the chance that network actors are informed about each other's (mis)behavior. In a study assessing the determinants of freeriding behavior in collective CSR, Delmas and Montes-Sancho (2010) demonstrated empirically how the freeriding actors were those exposed to lower political, peer, and social pressures than actors that showed substantive contributions. Moreover, this study demonstrated how firms with strong links to trade associations were less likely to engage in freeriding behavior. Density can provide a network structure in which these social pressures are more likely to be exerted and adhered to, and in which links to external parties are formed more easily.

Secondly, density can be helpful in addressing symbolic contributions in the phase of partner selection, as one of the problems in collective CSR lies in the fact that great heterogeneity between actors makes it difficult to assess the suitability and trustworthiness of potential new partners (Rondinelli & London, 2003). As these dense networks tend to result in an important archive of information on the availability, competencies and reliabilities of prospective new partners (Gulati & Gargiulo, 1999), density can play a salient role for this particular aspect in the process of preventing merely symbolic contributions.

### Challenge 4: Coping with power imbalances

The last major challenge for collective CSR organizing is that of power differences between actors in collective CSR, which have taken the shape of marginalization or exclusion of vulnerable stakeholders from decision-making and governance processes (Fransen & Kolk, 2007), as well as co-optation of particular stakeholders (Baur & Schmitz, 2012).

*Reduction of safeguarding through suspending judgement* – The first network property we consider relevant for this challenge is the reduction of safeguarding, resulting from suspended judgment: i.e. adopting an orientation toward another actor that assumes the other party's intentions and motives are benevolent (McEvily et al., 2003). The reduction of safeguarding should be very useful to address this challenge, as it is likely to (positively) influence actors' attitudes prior to collaboration, which have been argued to be highly influential for the manner in which actors in collective CSR enter bargaining processes prior to or during collaboration (Abbott & Snidal, 2009). These authors emphasize how NGOs tend to portray firms as wanting to engage in normatively inappropriate practices to increase their profit, while from the firm perspective, NGOs are seen as actors who do not understand the needs of business in competitive markets and have unrealistic conceptions of what standards and procedures are compatible with production. In a similar vein, Holzer (2008) argues how, in the context of NGO-corporate collaboration, corporate managers distinguish between 'cooperation-oriented' and 'event-oriented' NGOs, denoting a distinction between those the company can deal with and those whose demands are considered too radical. These assumptions are likely to reinforce the use of power, as both parties' actions are based on a set of a-priori assumptions about the other parties' capabilities and intentions. Abbott and Snidal (2009), for example, show how these perceptions are highly influential on the extent to which actors try to push their own interests prior to collaboration, as they already have a fixed image of how the other party will behave. Suspension of safeguarding can alleviate these perceptions or predispositions, and as such positively influence the challenge of coping with power differences.

*Committing through identifying* – The next property we propose as relevant in reducing the challenge of power differences is commitment. McEvily et al. (2003) argue how establishing commitment between actors is fostered by the process of identification: once actors start to trust each other, they will identify increasingly with one another, and begin to perceive each other's needs, preferences and priorities as their own. Depicted in this manner, identification is mostly a result of collaborating, yet as Baur and Schmitz (2012) argue, identification is also highly relevant in the process of selecting potential collaborators. These authors show how co-optation of NGOs is a likely result if corporations end up collaborating with NGOs perceived as not being too radical. While they are also chosen simply to control the fallout of civil society mobilization against their unethical behavior (Baur & Schmitz, 2012), these NGOs might not always be partners to select if corporations want to actually contribute to the issue at hand. Commitment through identification is thus important in this context, as it increases the salience of collective goals and values (McEvily et al., 2003), which is in turn likely to lead to increased issue identification. At the same time, this identification with and understanding of the issue will enable corporations to identify more easily the partners that could be relevant collaborators with which to address it.

In sum, we see that trust can play an important role for dealing with challenges inherent in collective CSR, yet its potential to work as an organizing principle in these settings seems higher for some challenges than others. In Table 2, we summarize the challenges we identified along with their relevant properties and pathways.

**Table 2. Collective CSR challenges and relevant network properties**

Collective CSR challenge	Network property
<b>Challenge 1:</b>	
<b><i>Creating a collaborative governance structure</i></b>	→ <b>Stability:</b> allows for the development of shared routines. <b>Non-redundancy:</b> allows for effective use of specialized roles in networks, such as brokers.
<b>Challenge 2:</b>	
<b><i>Reconciling collective and individual interests</i></b>	→ <b>Knowledge sharing:</b> makes actors realize their interdependencies. <b>Multiplexity:</b> fosters connectedness beyond the scope of the initial partnership.
<b>Challenge 3:</b>	
<b><i>Distinguishing substantial from symbolic contributions</i></b>	→ <b>Density:</b> offers high levels of social control and monitoring benefits.
<b>Challenge 4:</b>	
<b><i>Coping with power imbalances</i></b>	→ <b>Committing:</b> stimulates substantial investment through increased identification. <b>Reduction of safeguarding:</b> fosters increased commitment to the issue at stake and enables identification of relevant stakeholders.

## Discussion

There is increased awareness of the notion that CSR and its inherent complexity can only be addressed if organizational actors engage in collective efforts to pool their resources and skills (Bryson et al., 2015; Olsen et al. 2016, 2017). However, this very process comes along with a number of collaboration challenges that call for a suitable organizing principle for such collective endeavors. Our conceptual article provides an overview of these challenges and assesses the role of trust as a possible organizing principle to address them. Based on the framework of trust as an organizing principle by McEvily et al. (2003), we have elaborated through which networking processes the collective CSR challenges we identified can be overcome on the basis of inter-organizational trust.

Our assessment shows firstly that while all pathways are relevant for collective CSR, some pathways of organizing may be more applicable than others. Density, for example, turned out to be a very promising organizing pathway, as the monitoring and control benefits it offers are essentially useful for all of the challenges involved. The same applies to the pathway of knowledge sharing, as an environment con-

ductive to knowledge sharing essentially alleviates all of the challenges and that of reconciling collective versus individual interests in particular. Other pathways, such as suspending judgment, are also relevant, but they address very specific aspects of collective CSR and perhaps to a lesser degree. Moreover, challenges of a very practical nature, such as resource dependencies, are less likely to be organized through trust only. It thus seems that trust can be an effective organizing principle for some but not all collective CSR challenges, and that some of the pathways defined by McEvily et al. (2003) are particularly relevant in this context.

What has also become clear during our analysis is that the main challenge for collective CSR lies in the fact that it is almost impossible to evaluate these relationships and their perceived usefulness in reality. In their contribution on network dynamics, Ring and Van de Ven (1994) argue that when actors form cooperative relationships, they constantly assess these based on the factors of efficiency and equity. Efficiency refers to selecting the most efficient manner of organizing a collective practice, whereas equity refers to “fair dealings”, e.g. the perception that all actors involved receive adequate benefits in the light of their investments. Both these factors play a salient role in the actors’ evaluation of the relationship and the decision to continue it or not. While perceptions of efficiency and equity are often (partly) measurable or foreseeable in network cooperation, in collective CSR these are difficult to assess not only prior to but also during the cooperation.

While our assessment shows that the literature on inter-organizational networks and CSR already touches upon several important aspects, some emerging themes for a full exploration of collective CSR challenges are still left unaddressed or should be addressed in greater detail. Below, we will outline three salient future research directions for the challenges in collective CSR:

*The emergence of trust:* In order to establish whether or not to engage in CSR cooperation, network literature has shown how trust can work as a trigger for cooperation and has also devoted attention to the mechanisms that enable this effect (Gulati & Singh, 1998; Uzzi, 1997; Zaheer, McEvily, & Perrone, 1998). However, most research on CSR in networks so far has conceptualized trust as a static property, disregarding the dynamics of trust as a process (e.g. Möllering, 2013; Korsgaard, Kautz, Bliese, Samson, & Kostyszyn, 2018). The fact that freeriding and power differences are such salient issues in collective CSR makes it all the more important to understand this process of trust development.

*The dark sides of collective CSR and trust:* Two aspects left largely unaddressed in this article are the potential dark sides of both collective CSR and trust. Even though collective action is generally seen as a promising pathway towards facing the complexity inherent in CSR issues, there is also reason for caution. Joint CSR activities have been shown to be not representative or inclusive in many instances (Fransen & Kolk, 2007) and to serve mainly to protect large multinationals rather than to actually solve any labor or environmental problems (O’Rourke, 2006). Critical voices



argue that such collaborations might even lead to a privatization of global governance, to weakening and fragmenting of the multilateral order and reinforcing a neoliberal world (Bäckstrand, 2006).

Unfortunately, certain trust dynamics that have been pointed out by researchers might play a role in keeping such spurious institutions alive. For actors who *seek* collective CSR collaborations, it is unlikely they will approach such networks with high levels of distrust as an initial predisposition. In such instances, their trust may be misplaced and conceal the actual trustworthiness of the partners in the collaboration (Skinner, Dietz & Weibel, 2014), which can be reinforced in collective CSR settings by the fact that freeriding is hard to detect and often remains unsanctioned (Delmas and Montes-Sancho, 2010), not to mention the general risk of deception in trust relationships (Möllering, 2009).

Moreover, trust might prevent actors from *leaving* spurious collective CSR settings, if these concern long-standing social exchanges and deep bonds of indebtedness, a situation referred to as the “trust trap” (Skinner et al., 2014; Möllering & Sydow, 2019). In a similar vein, network research has pointed out the downsides of “overembeddedness” (Uzzi, 1997), i.e. abundantly high levels of trust in networks that may cause unintended lock-in effects for organizations. Finally, too much trust has also been argued to decrease the innovative capacity of the actors involved and reduce the urge for organizations to search for new, perhaps more suitable partners to collaborate with (Schnittfeld & Busch, 2016). As for collective CSR, we should thus remain critical in terms of these networks’ true aims, as well as understanding the boundary conditions of trust as a desirable organizing principle.

*Equity issues in grand challenges:* In order to understand how the notion of equity can be sustained in highly complex and uncertain endeavors such as CSR, we must go beyond solely assessing the effect of trust, and we cannot assume that its mere presence will solve the problem of distributive justice. As shown by Gausdal, Svare, and Möllering (2016) the mere presence of trust within networks does not suffice to ensure network benefits for all involved, as this is also highly contingent upon factors such as the level of actual actor cooperation. As potential benefits are often not foreseeable in the context of grand challenges, we should assess more carefully what makes actors contribute in these settings regardless of this fact, and how trust can foster such environments.

Naturally, this study also has its limitations. To start with, there is still much variety in the networks that pursue collective CSR and the effect of trust might work out differently in different types of networks. Another limitation that future research should address is that the framework we built upon, and as such our work as well, argues from the initial notion that trust is already present in networks. This is obviously not a given, especially for networks with actors who are cooperating for the first time. As emphasized earlier in the discussion, future studies should investigate the dynamic development of trust among heterogeneous actors who – unlike in the



swift-trust scenario described by Meyerson, Weick and Kramer (1996) – cannot refer to established role expectations.

All in all, the framework developed in this article contributes to knowledge by providing a refined overview of CSR networks and their cooperation challenges, as well as linking to relevant processes of organizing through trust. For future work on these challenges, the specific pathways identified in our framework can be used to assess whether and how the predicted effects occur in practice. Meanwhile, the framework serves as a conceptual tool for explaining *how* trust-based organizing enables collective CSR rather than merely asserting that collective CSR requires trust. While we paint a positive picture of trust and CSR, the many challenges and various pathways we highlight also serve to alert us to the fact that trust is not an easy and certainly not a guaranteed solution. Nevertheless, it will be an important asset for networks pursuing CSR seriously.

## Acknowledgements

We thank the Editor-in-Chief, Simon Fietze, and two anonymous reviewers for valuable comments and suggestions. Earlier versions of the paper have been presented at several conferences and workshops, notably the 33<sup>rd</sup> EGOS Colloquium at Copenhagen Business School in 2017, and we are grateful for collegial feedback received on those occasions.

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